## REPUBLICAN STATE-OF-THE-STATE

## Rep. Cathy McMorris Jan. 10, 2001

Good afternoon. . .

I'm State Representative Cathy McMorris. I represent the 7<sup>th</sup> Legislative District in northeastern Washington. It's an honor to have this opportunity to share with you the vision Republicans in the state Legislature have for the future of Washington state.

As we begin a new year and embark upon a new century, the possibilities to build a bright, new future for Washington are endless. It is how we embrace these possibilities that will shape the lives of Washington citizens and our communities for generations to come.

This year, the Legislature is more evenly divided than ever before — with 49 Democrats and 49 Republicans in the House, and a single vote separating the two parties in the Senate. Many are predicting partisan gridlock. But I'd like to suggest a different outcome.

I believe this will be an historic session — not of a Legislature evenly divided between Democrats and Republicans — but as a Legislature united toward the needs of the people.

We have just ended a long and difficult election. Citizens are tired of political bickering and divisiveness. They are understandably turned off by the negative tone of the last few months. It is time for us to move beyond divisive rhetoric — and toward common sense solutions.

We understand that people have little time for — or interest in — politics. They care much more about keeping their jobs, sending their kids to good schools, driving on congestion-free roads. They worry about making the dollars in the family budget stretch through the month.

These are the important priorities.

Washingtonians want a future where the economy is vibrant and jobs flourish. A future where schools are of the highest quality. . . where every student is prepared with the knowledge and skills needed to be successful in life. A future where no child is left behind.

A future where senior citizens and the disabled are not forced from their homes by skyrocketing property taxes — and where they no longer have to travel across the border to afford their own prescription drugs.

We see a Washington where energy prices remain low and power remains abundant. A future where working parents have more time to spend at home with their children and families —not in bumper-to-bumper traffic. A place where neighborhoods and schools are safe and drug-free. A place where businesses thrive, and a clean, healthy environment is preserved.

Together, we share the desire for strong leadership in government that will hold the line on state spending, and will recognize that taxpayers should come first!

A tremendous shift in the attitude and philosophy toward government has taken place in our state over the past few years. Government needs to be more responsive . . . to treat people better. . . and to empower them to improve their own lives.

That is why this year is especially important. We in the Legislature need to show that we are listening by working to find common ground for the common problems that face our state.

We've enjoyed a tremendous run of prosperity — especially along the I-5 corridor. However, there are indications that things are beginning to slow.

Unemployment is up in Washington state, especially in the manufacturing sector. The stock market, which for long was on a steady upswing, is now starting to dip. The Fed has moved to lower interest rates to keep the U.S. economy from sliding into a recession.

Throughout Washington, agriculture has especially been hit hard. Fruit trees are being uprooted by orchardists who are giving up. These are warning signs we should not ignore.

Another is the looming energy crisis.

We have been richly blessed in the Pacific Northwest with some of the lowest electricity prices in the nation. Our state and its economy largely have been built from cheap and abundant hydro power. But for the first time since the 1970s, we are beginning to feel the effects of an energy crisis.

The rising cost of energy is already forcing manufacturers to scale back. Workers are losing their jobs — nearly 800 people alone at Georgia-Pacific's mill in Bellingham. Close to 400 are now idle at Kaiser Aluminum in Spokane. Down in Goldendale and over in Vancouver, workers are being laid off primarily because of the high cost of power.

Businesses have been feeling the effects. But now it is reaching into the households of people throughout the state. Because of California's energy disaster, people in Tacoma and Snohomish County are facing rate hikes of as high as 43 percent. Drastic rate increases will follow in other communities. Think of what that means for people on fixed incomes!

And as the prices of electricity and natural gas continue to rise, so will the numbers of unemployed. That means more families struggling to survive — and meet their everyday obligations — especially with higher energy costs.

That's why it's important that we get a handle on this crisis now.

First — we need to make it easier to produce more clean energy and easier for new facilities to be constructed. Consider that Washington hasn't made a major commitment to build electrical generation facilities since the 1970s. Yet demand has steadily risen. We need to find a path that will encourage new generation facilities to be developed. And we need more transmission capacity too.

We also need to work together to conserve more energy, especially until this crisis is resolved.

Also, let us finally put the issue of dam removal behind us — take it off the table. The fact remains that hydro-electric power is the most environmentally-friendly way to produce energy.

Washington state needs sustainable energy sources, not endless excuses. And every source will count.

As we prepare a new state budget this year, it's important that we also keep these warning signs in mind. In such an evenly-divided Legislature, some believe our budget problems are insurmountable.

I believe that while the budget has some challenges, there's no reason why we shouldn't have an agreement before the end of the regular session in April. You sent us here to do the job. We need only the resolve to work together and make it happen.

First, we must prioritize, just like every family must do in their own budget. We need to work together for a plan that is sustainable — one that not only looks ahead, but plans ahead. And a budget that is responsible — that protects services for those who need them most.

We have to recognize that spending one-time reserves on long-term programs — in an economy that shows signs of weakness — will lead our state down the path toward shortfalls and tax increases.

Instead, we need a budget that lives within our means and won't require future tax increases to maintain.

We also need a budget that respects your wishes — the wishes you have voiced through the initiative process. That means providing teacher pay raises and lowering class sizes. It also means doing more in state government with less money — making every dollar count.

In addition to the education initiatives that passed last year, we will not forget the message sent by another measure, the property tax relief initiative.

By approving tax-reduction initiatives over the past two years, Washington voters have said they are already paying too much in taxes. We will respect those wishes!

We must also prepare a budget that keeps enough money in the state's reserves — our rainy day account. This is especially important now as signals point to a possible economic downturn.

And we must continue to respect and protect the mandate you have given us with the voter-approved limit on spending, I-601.

Let's be frank. The state spending limit created by Initiative 601 has been great for taxpayers — the most effective protection they've ever had in this state. It's been the key reason we've been able to build a responsible rainy day account to protect taxpayers in the event of an economic downturn.

We do appreciate the governor's effort to cut spending in addressing this difficult budget situation. And there is room for us to work together.

But we should continue to look for efficiencies that will make this budget work. And while we hold the door open for continued talks in an effort to find new solutions, we will continue to stand on the principle of protecting you — the taxpayers of our state — from the special interests who want to take more of your money and spend it on bigger government.

You have made it clear that government must use your money wisely. We must work together to meet those expectations.

The other critical issue facing our state is the need for a better transportation system.

Transportation is not a Republican or a Democrat issue. It's a people issue. People need an efficient transportation system to get to and from work, to take the kids to school on time, to get to the store or to the doctor.

And unless we begin to act now to address our transportation woes, we will only further multiply the economic consequences ahead.

We need to get people and goods moving again.

Reducing traffic congestion must be a top priority this session. Every extra minute a motorist spends stuck in traffic is valued time stolen from something more important. It's time taken away from a family at the dinner table. It's time from children who wait at the door for mom or dad to get home. It's time that could be spent making one more sale or earning a few extra dollars for the family budget.

Last month, the governor presented us with a \$9 billion wish list of transportation projects. We know the problems that are out there. We know the need. What's missing is leadership — and the governor has deferred to the Legislature to show leadership on this issue.

Well I'm here to tell you today that we in the Legislature are up to the challenge.

While others have continued to call for new taxes, we have taken a more responsible approach. Over the past four years, Republicans have encouraged a commitment to our state's transportation system by dedicating sales taxes already collected from transportation-related purchases to fund new road improvements. We have worked to make every last dollar count — and to go for needed projects to reduce congestion.

But let us not now give in to the easy route of new taxes. We must squeeze the most value out of existing dollars and demand accountability before we are even remotely tempted to squeeze even more from taxpayers.

And while we are talking about parents, families and children, let us also resolve to keep our commitment to education.

Parents want to know that their children are safe in our public schools. And they want schools that will prepare children for the 21<sup>st</sup> Century.

In recent years, we have worked hard to set higher standards. We now expect teachers to teach more and students to learn more.

But to achieve those standards, we must keep our commitment to our kids and give teachers the tools they need to teach. At the same time, we must open the doors for parents to have more say in their children's education by giving them choice and providing greater accountability.

Our state's constitution calls education, "the paramount duty of the state."

Let us rise to this occasion and meet this duty. Our future depends on it.

Our future also depends on a system where people have access to affordable health care and prescription drugs.

Washington's citizens have had a bumpy ride over the last few years as bureaucrats have experimented with our state's health-care system. And the experiments have failed.

We don't want socialized medicine and citizens don't either.

Frankly, it's time to quit experimenting with the health insurance market and rely on proven methods that work.

Last year, we worked together — Republicans and Democrats — to pass reform legislation to bring back carriers to the individual insurance market and created a Patients' Bill of Rights. And this year, we have pledged to work toward reforms that will ensure access to affordable prescription drugs.

We believe the short-term approach is to provide assistance to low-income seniors for prescription drugs using money from the tobacco settlement fund. And we don't believe in forcing community pharmacies to subsidize discounts — which will only ensure less access to prescription drugs when they are forced out of business.

Not only pharmacies, but all businesses, especially small businesses, are facing some real challenges with the issue of health care costs. Many employers are facing up to 40 percent increases in the premiums they have to pay. Those types of increases threaten jobs.

Some are suggesting we rush in with more government plans to "fix" the system. But our state has learned the hard way what government "fixes" often do. It was government regulation that caused much of the problem in the first place.

We need to let the insurance reforms passed last year work. We need to give the private market a chance. Some of the companies that provide insurance have already come back to the marketplace. And more have committed to do the same.

The good news is that more competition will mean lower prices and greater choice. But we have to give it time to work.

The next 102 days will be an important turning point in Washington's future.

We are at a crossroads — a crossroads of possibilities. And how we embrace those possibilities together — could shape the future of our beautiful and diverse state.

Our commitment today as Republicans is to come together with our Democrat colleagues and find common ground — to unite behind the effort to solve those problems that affect each of us who live in this great state.

I am very optimistic about our future. I firmly believe we can rise to meet the challenges of the  $21^{st}$  Century. And I believe this Legislature will work together to change our future for the better.

Our destiny begins now with a clear vision of doing not what is political — but what is right for the future of our state.

Let us envision great things. Let us join together in the common goals we share for Washington, our home. Finally, let us resolve to make this session remembered as the Legislature united.

God bless our nation and the great and wonderful people of the state of Washington.

Thank you.